



Contact:

Ellis Smith

770-331-7191

esmith@chattanooga.gov

Mayor Tim Kelly unveils permanent supportive housing proposal for revitalization of derelict Airport Inn

Eyesore will be transformed into more than 70 units of apartment housing with wraparound services, leveraging national model with over 90 percent success ratio

Chattanooga, Tenn. (Tuesday, Oct. 11) — Chattanooga Mayor Tim Kelly on Tuesday asked the City Council to support a plan to revitalize a dilapidated motel to support more than 70 new units of permanent supportive housing.

The city has purchased the boarded-up motel, formerly the Airport Inn, which once rezoned will transform from a community nuisance into a facility that offers residents an off-ramp from homelessness, providing onsite services and security to residents. The city plans to identify a nonprofit to operate the facility through a request for proposals.

"This project is an essential part of our strategy to create more housing units for people experiencing homelessness who want to take the necessary steps to rebuild their lives," said Kelly. "They'll have the services they need, and from the outside you won't be able to tell that the people living there have lived lives that are any different from yours or mine — and that's exactly the point. This is not a homeless shelter, it's an apartment complex with services onsite that keep people housed for good."

The Airport Inn project will rehabilitate the entire facility, including improvements to the facade, fencing and green spaces, and the interior will follow the common practice of transforming hotel rooms into efficiency apartments.

"This is a win for the community, this is a win for future residents, and it's a story of renewal about how we turned a community problem into a community asset," Kelly said.

The city will hold a public meeting about the project at the Family Justice Center on Wednesday, Oct. 26 at 6 p.m., and has invited the community to attend and hear more about the transformative project. City Council is slated to vote on the rezoning proposal on Nov. 1.

This permanent supportive housing model, which is relied upon nationwide to provide a critical off-ramp from homelessness, boasts a 90 percent success ratio after three years. In Hamilton County, of those who moved into permanent supportive housing over the last year, more than 97% remained housed, either in permanent supportive housing or another type of permanent housing.

After three years on average, these residents typically graduate from support and are working full-time, paying sales and property taxes, and contributing to their community just as any other resident would, according to Joda Thongnopnua, chief of staff for the city.

“We know that the only durable solution to homelessness is a home, and this solution bridges that gap for residents who have the potential to thrive in an environment with supportive services, helping them move off the streets and into a stable living situation,” Thongnopnua said. “I think one of the big wins here is that through this process, we will also be able to transform an eyesore into a solution, as we continue to create a long-term structure that will allow us to exit more residents out of homelessness.”

A screening process will identify eligible residents who are able to live semi-independently, and who, with the right combination of staff support and wraparound services, are on a trajectory toward more traditional living arrangements within three years, Thongnopnua said.

Homelessness in Chattanooga has grown as a problem, rising nearly 250% in the last year alone, a trend mirrored across the country as demand for shelters and vouchers have doubled and in some cases tripled since the pandemic. At the same time, the number of beds available for Chattanooga residents to exit homelessness has decreased over the past several years, failing to keep up with demand, while the infrastructure required to deal with mental health and addiction has also not kept pace.

Still, in the last quarter, the city alone has housed more than 100 individuals, and together with its partners has re-housed 2,000 residents since the beginning of the administration.

The permanent supportive housing facility will further address the acute need for housing and services, and is one part of a multi-pronged strategy to address homelessness being pursued by the Kelly administration, which looks at both chronic and episodic homelessness and approaches each differently.

Separately, the city is also in the process of standing up a low-barrier shelter and stepping up data collection efforts through the Regional Homelessness Coalition to better serve the different segments, and provide speedier exits from homelessness. The city also continues to operate its temporary sanctioned encampment in partnership with Help Right Here, which replaced an unsanctioned encampment that created safety concerns in proximity to an active rail line.

Part of the city’s strategy also includes a Chattanooga Police Department Crisis Intervention Unit to address mental health problems in real-time, as well as expanded bike patrols downtown to combat illegal behavior, Kelly added.

“While we are working every day to generate additional units of housing our residents can afford and stand up additional services, we will not tolerate aggressive or threatening criminal behavior from anyone,” Kelly said. “We are taking an all-of-the-above approach and we will continue to make progress.”

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